

SECTION C — ($3 \times 10 = 30$ marks)

Answer any THREE questions.

16. Give a detailed note on Kaizen Costing techniques.
17. Differentiate between Cost control and Cost reduction.
18. Explain about the nature of Target Costing in detail.
19. Narrate the benefits of transfer pricing.
20. Elaborate the benefits of Activity Based Cost Management.



APRIL/MAY 2024

**23PCM21 — STRATEGIC COST
MANAGEMENT**

Time : Three hours

Maximum : 75 marks

SECTION A — ($10 \times 2 = 20$ marks)

Answer ALL questions.

1. What is Strategic Cost Management?
2. Give the meaning of Lean System.
3. State the meaning of Cost Control.
4. What is cost avoidance?
5. Give the features of pricing decision.
6. What is the Asset Life Cycle Costing?
7. Give concept of transfer price.
8. Write a note on cost based pricing.
9. What is Budgeting?
10. Bring down the nature of traditional cost accounting.

SECTION B — (5 × 5 = 25 marks)

Answer ALL questions.

11. (a) Differentiate between Strategic Cost Management and Traditional Cost management.

Or

- (b) Narrate the features of Value Chain Analysis.

12. (a) Describe the pre requisites of cost control.

Or

- (b) Bring down the nature of Pareto Analysis.

13. (a) Explain about the pricing for new products.

Or

- (b) Discuss about the project life cycle costing.

14. (a) Describe the objectives of sound transfer pricing.

Or

- (b) Electronic components used by the Engine Division of Armstrong Manufacturing are currently purchased from outside suppliers at a cost of Rs 200 per unit. However the same materials are available at the

components division. It can be produced by the components division for the Engineering Division using the unused capacity at a variable cost of Rs. 165 per unit.

- (i) If a transfer price of Rs. 180 per unit is established and 35,000 units of materials are transferred. How much would Arms strong Manufacturings total Income from operation increases?

- (ii) How much would the Engine Division's Operations Income increases?

15. (a) Explain the purpose of Activity Based Cost Analysis.

Or

- (b) The Mumbai Ski Company manufacturers Skis in the finishing and assembly process Skis are manufactured in 40 Ski batch Sizes. The finishing time is 20 minutes per ski. The assembly time is 14 minutes per ski from finishing to assembly.

- (i) Compute the Value added, non value added and total lead time of this process.

- (ii) Compute the value added ratio.

